

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Conlin Strawberry Water Company, Inc., a California corporation (U-177-W), for Authority to Sell and Del Oro Water Co., Inc. (U-61-W), for Authority to Buy the Conlin Strawberry Water Company Water System in Tuolumne County.

Application 05-12-001
(Filed December 2, 2005)

Investigation on the Commission's Own Motion into the Operations and Practices of the Conlin-Strawberry Water Co. Inc. (U-177-W), and its Owner/Operator, Danny T. Conlin; Notice of Opportunity for Hearing; and Order to Show Cause Why the Commission Should Not Petition the Superior Court for a Receiver to Assume Possession and Operation of the Conlin-Strawberry Water Co. Inc. pursuant to the California Public Utilities Code Section 855.

Investigation 03-10-038
(Filed October 16, 2003)

**ADMINISTRATIVE LAW JUDGE'S RULING FOLLOWING
PREHEARING CONFERENCE AND LAW AND MOTION HEARING**

On January 6, 2006, a prehearing conference (PHC) was held in Application (A.) 05-12-001 and a law and motion hearing was held in Investigation (I.) 03-10-038. Thomas J. MacBride appeared for Conlin-Strawberry Water Company, Inc. Robert Fortino appeared for the Del Oro Water Company, Inc. Cleveland Lee appeared for the Division of Ratepayer Advocates (DRA; formerly Office of Ratepayer Advocates). Jean Gaskill and

William Rugg appeared for the Strawberry Property Owners' Association. Gaskill and Rugg will monitor these proceedings in an information-only capacity.

DRA's motion to consolidate was denied without prejudice.

Mr. Lee will file an appropriate pleading indicating how DRA has now succeeded to the Water Division's interests in matters affecting I.03-10-038.

After discussion, the assigned administrative law judge (ALJ) determined that it would be advisable to pursue two preliminary matters before a scoping memo is finalized and released. First, the parties will be ordered to a settlement conference to discuss information and discovery issues and to otherwise determine whether a comprehensive settlement may be reached. Second, DRA will be provided an opportunity to file a motion to dismiss that the assigned ALJ will decide if settlement efforts are unproductive.

The following is the schedule for these preliminary activities:

Week of January 9:

ALJ Division will try to identify and offer three ALJs who are in the position to facilitate early settlement discussions; hopefully, these ALJs can be offered to the parties by Wednesday, January 11, and an ALJ selected to facilitate by Friday, January 13.

Wednesday, January 11:

Conlin-Strawberry to provide DRA and SPOA with complete copy of sales agreement (including all appendices to the extent they now exist). Copy of management agreement was provided at Jan. 6 PHC.

Friday, January 13:

DRA to file motion to dismiss.

Week of January 16:

Settlement discussions (including information needs) facilitated by selected ALJ (one to two days).

Monday, 1:30 p.m., January 23:

Continued PHC (and law and motion hearing) for the purpose of determining status of settlement discussions.

Friday, January 27:

Conlin-Strawberry response to motion to dismiss.

Wednesday, February 1:

DRA reply re motion to dismiss.

Friday, 10:00 a.m., February 10:

Continued PHC (and law and motion hearing); unless a settlement has been reached, continue discussion of issues and schedule re application for sale to Del Oro; also, oral argument on motion to dismiss.

IT SO ORDERED.

Dated January 12, 2006, at San Francisco, California.

/s/ JOHN E. THORSON

John E. Thorson
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Following Prehearing Conference and Law and Motion Hearing on all parties of record in this proceeding or their attorneys of record.

Dated January 12, 2006, at San Francisco, California.

/s/ JANET V. ALVIAR

Janet V. Alviar

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.